

IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

TUESDAY, THE SEVENTH DAY OF SEPTEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE SRI DEVINDER GUPTA, THE CHIEF JUSTICE

and

THE HON'BLE MR JUSTICE C.V.RAMULU

WRIT APPEAL NO : 1323 of 2004

(Writ Appeal under Clause 15 of the Letters Patent against the Order dated
22/07/2004 in WP NO : 12943 OF 2003 on the file of the High Court.)

Between:

1. The Govt.of A.P.rep.by its Secretary, Irrigation & Command Area
Development, Secretariat Buildings, Hyderabad.
- 2 The Special Deputy Collector, (L.A), Srisailam Project, Collectorate
Complex, Kurnool.

..... APPELLANTS

AND

Y.P.Sankara Reddy, S/o.Late Ramachandra Reddy,
R/o.Sankirenipalli Village, Pagidyala Mandal, Kurnool Dist.

.....RESPONDENT

Counsel for the Appellants: GP FOR LAND ACQUISITION

Counsel for the Respondent No.: MR.C.PRAKASH REDDY

The Court made the following :

ORAL ORDER: (per the Hon'ble the Chief Justice)

Challenge in this appeal by the State is to the order passed by learned single Judge disposing of the writ petition in terms of the interim order, which had been passed in WPMP No.16079 of 2003.

We have heard the counsel for the parties and gone through the record.

At the very outset, it may be observed that the learned single Judge ought not to have disposed of the writ petition in the manner in which it has been done except by giving reasons in support of his decision on the questions posed before him as also by taking note of the stand taken by the appellants since in the interim order passed, the stand of the appellants was not taken on record.

Admittedly, the lands of the writ petitioner were utilized for Srisailem Project and was deprived of the possession of the lands in or about the year 1976, for which proceedings were taken out under the provisions of the Land Acquisition Act, 1894 and award was also passed by the Collector. Feeling dis-satisfied, reference was sought and reference was pending before the Reference Court. At that stage, Government of Andhra Pradesh came forward for settlement of the claim cases which were pending before the Reference Court before Lok Adalat. On the basis of settlement arrived at before the Lok Adalat, cases were disposed of. G.O.Ms.No.234 dated 15th October, 1993 was issued incorporating the terms of settlement. Admittedly, the terms of settlement had fixed the market value of the land on which amount of compensation was payable along with solatium and additional amounts. As regards interest, the settlement stated that interest will be paid for 14 years for the lands and for 13 years for structures @ 9% per annum for the first year and @ 11% per annum for subsequent years. Settlement also provided that no interest would be paid for the period subsequent to the date of payment of the first installment. The first installment was to be paid by account payee cheque and the remaining amount of installments was to be paid in the shape of non attachable, non negotiable and non

transferable bonds.

When amounts were not paid, the writ petitioner, in the year 2003, approached the court in writ petition seeking direction against the Government to comply with the terms of the settlement within a time bound period and also for payment of interest for delay in making payment.

Obviously, when settlement was arrived at in the year 1993, it did take notice of the enormous delay which had taken place in making payment and for that reason, the settlement did take care of the interest payable upto the date of settlement and since it was envisaged that the first moiety will be paid by means of account payee cheque and the remaining amount was to be paid through bonds, obviously, the settlement did not take notice of the interest to be paid subsequently and stated that no interest would be paid subsequent to the date of payment of first installment. The stand of the appellants that no interest is payable after the period stipulated in the settlement would have been legitimate had the appellants duly complied with the terms of the settlement by making payment. Even the first payment was not made and this situation was tried to be overcome by learned single Judge when interim order was passed directing payment of 15% interest, which now forms part of the final order of the learned single Judge.

Non-payment of interest subsequent to the date of settlement till payment was the disputed question, on which there should have been some reasons assigned but we would like to read between the terms of settlement that what was envisaged in the settlement was assured payment of interest till the date of payment of the first installment, which, obviously, as per the settlement would be taken as a reasonable date from the date of the award of the Lok Adalat and the said rate was 11% per annum and not 15% per annum. Therefore, even in the interim order or in the final order, learned single Judge ought to have confined the rate of interest at 11% per annum instead of 15% per annum and left the matter at that stage since the parties are bound by the terms of settlement and there was no challenge in the court that award of the Lok Adalat be set aside and matter be directed to be reopened.

Therefore, we allow the appeal and set aside the impugned order passed by learned single Judge and dispose of the writ petition with direction that interest will also be paid to the writ petitioner-respondent on the amount from the date of settlement till the payment of first instalment at 11% per annum instead of 15% per

annum.

DEVINDER GUPTA, CJ

7-9-2004

C.V.RAMULU, J

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